

"THIS IS A PROFOUNDLY
SIGNIFICANT DECISION
FOR THE UNITED STATES.
IT WILL AFFECT OUR
GRANDCHILDREN'S LIVES,
AND WE DARE NOT MAKE
THE WRONG DECISION."

—PRESIDENT CLINTON, FEB. 24, 2000

The National Security & Foreign Policy Case

China is playing an increasingly active and constructive role in Asian security and stability. U.S. engagement can influence China's future orientation and determine whether it will help or hinder U.S. interests. The U.S. provision of permanent Normal Trade Relations (PNTR) is the only way we can obtain the full benefits of our bilateral WTO agreement and make maximum use of the channels of influence that the agreement will provide.

ENGAGEMENT WITH CHINA ON REGIONAL ISSUES YIELDS TANGIBLE BENEFITS.

- **South Asia:** China helped lead the international community's response to India and Pakistan's 1998 nuclear tests.
- **Korean Peninsula:** China continues to contribute significantly to the Four Party Talks designed to bring peace and stability to the Korean Peninsula.
- **Northeast and Southeast Asia:** China has participated in confidence-building dialogues on regional security in Northeast Asia and Southeast Asia.

OUR ALLIES IN ASIA SUPPORT GRANTING CHINA PERMANENT NORMAL TRADE RELATIONS STATUS PRECISELY BECAUSE IT WOULD SUPPORT REGIONAL SECURITY AND COOPERATIVE EFFORTS.

- Our provision of PNTR status to China is widely supported throughout Asia, including by Japan, Korea, and the ASEAN nations.
- Passage of PNTR status for China and its entry into the global trading regime will encourage Asian economic security and stability, help deepen exchanges between Asian countries and China, and promote China's participation in regional economic and security planning.

TAIWAN'S PRESIDENT-ELECT, CHEN SHUI-BIAN, SUPPORTS CHINA'S WTO ACCESSION AND NORMALIZATION OF U.S.-CHINA TRADE RELATIONS.

- Taiwan already has extensive economic ties with the PRC; many Taiwan companies have moved production facilities to the mainland. Therefore, Taiwan's economy will benefit from the granting of PNTR. During the campaign and after his victory, Chen has called for strengthened cross-Straits economic ties.
- The PRC has accepted that Taiwan can join the WTO as a separate customs territory, but maintains that China should join first. Our objective is the accession of both Taiwan and the PRC this year. As Chen said, "We look forward to both the People's Republic of China's and Taiwan's accession to the WTO."

ENGAGEMENT IS ALSO KEY TO ADVANCING NONPROLIFERATION OBJECTIVES.

It is in our vital national interest that China embrace international nonproliferation norms, abide by them, and call upon others to do so as well. Our WTO agreement and provision of PNTR for China will advance these interests by integrating China further into the international mainstream and encouraging respect for and implementation of international standards. As China's stake in the preservation of the stability and



security of the global economic system grows, it will increasingly define its security interests in nonproliferation in ways compatible with the U.S. and our allies.

- Engagement has produced steady progress in strengthening China's nonproliferation policy.
- We have continuing concerns regarding the transfer of missile equipment and technology to Iran and Pakistan, and transfers of dual-use items that could be used in a chemical weapons program. We are pursuing a non-proliferation dialogue with China and are fully implementing U.S. law, including past imposition of sanctions related to China's export of missile technology and chemical weapons.

We will continue to work with China toward a common understanding of effective export control policies and on strengthening existing national export control systems. Progress towards these objectives will be a vital contribution to our goal of preventing the spread of all weapons of mass destruction and their delivery systems.

**GENERAL COLIN POWELL,
FORMER CHAIRMAN OF THE
JOINT CHIEFS OF STAFF:**

"Suppose we stiff them... Is that going to make China more likely to be a contributing and positive member of the world organizations? Or is it going to make them more isolated, truculent and more aggressive?... I think from every standpoint—from the strategic standpoint, from the standpoint of our national interests, from the standpoint of our trading interests and our economic interests—it serves all of our purposes to grant permanent normal trading relations."

Reuters, March 21, 2000

**CHEN SHUI-BIAN, TAIWAN'S
PRESIDENT-ELECT:**

"We feel that a democratic China will contribute to permanent peace in this region. Therefore, we support U.S. efforts to improve its relations with China. While we seek to normalize the cross-strait relationship, especially in the area of business and trade, we are happy to see the United States and China improve their economic relations. Therefore, I am willing to support the U.S. normalization of trade relations with the PRC."

Washington Post, March 9, 2000
